

No. 11939

United States
Circuit Court of Appeals
For the Ninth Circuit.

DIVISION OF LABOR LAW ENFORCEMENT,
STATE OF CALIFORNIA,

Appellant,

vs.

PAUL W. SAMPSELL, Trustee in Bankruptcy
of the Estate of C. A. Reed Furniture Com-
pany, Bankrupt,

Appellee.

Transcript of Record

Upon Appeal from the District Court of the United States
for the Southern District of California
Central Division

FILED

AUG 5- 1948

PAUL P. O'BRIEN, /

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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in *italic*; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in *italic* the two words between which the omission seems to occur.]

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NAMES AND ADDRESSES OF ATTORNEYS

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In the District Court of the United States, Southern District of California, Central Division

No. 45,102—PH

In the Matter of
C. A. REED FURNITURE COMPANY,
a corporation,

Bankrupt.

PROOF OF UNSECURED DEBT IN
BANKRUPTCY (PRIORITY)

At Los Angeles, in said District of California, on the 11th day of September, 1947, came G. O. Thrailkill, as Supervisor of the Los Angeles Office of the Division of Labor Law Enforcement of the Department of Industrial Relations of the State of California, of Los Angeles, in the County of Los Angeles, in said District of California, and made oath and said:

That C. A. Reed Furniture Company, a corporation, against whom a petition for adjudication of bankruptcy has been filed, was, at and before the filing of said petition, and still is, justly and truly indebted to said Division in the sum of Nine Thousand Fifty-Three and 52/100 Dollars (\$9,053.52); that the consideration of said debt is as follows:

Wages earned within three months before the commencement of proceedings herein, for which priority is claimed under Section 64a (2) of the

United States Bankruptcy Law, by the persons listed in the attached exhibit, marked "Exhibit A," which is hereby referred to and made a part hereof as if here set forth in full; and that all of the said persons listed in said exhibit have duly assigned in writing their said claims for labor and services to the [5] Chief of the Division of Labor Law Enforcement of the Department of Industrial Relations of the State of California, to collect under the authority vested in him by the laws of said State; that John F. Dalton is the duly appointed, qualified, and acting Chief of said Division, and that under and by virtue of the laws of said State, affiant is the duly authorized person to act for and on behalf of the said John F. Dalton and to file this claim; that said Division is now the sole owner and holder of said claim; that no part of said sum of \$9,053.52 has been paid; that there are no setoffs nor counterclaims to the same; that deponent has not, nor has anyone by his order, or to his knowledge or belief for his use, had or received any manner of security whatever for said debt.

And deponent further says that no note has been received for such account, nor any judgment rendered thereon.

/s/ G. O. THRAILKILL,
Supervisor, Los Angeles Office, Division of Labor
Law Enforcement, Department of Industrial
Relations, State of California.

Subscribed and sworn to before me this 11th day of September, 1947.

/s/ MARGUERITE REESE,
Notary Public in and for the County of Los Angeles,
State of California.

My commission expires June 15, 1951.

[Endorsed]: Filed Feb. 5, 1948. [6]

[Title of District Court and Cause.]

ORDER DETERMINING EXTENT OF PRIORITY OF *OF* EMPLOYEE'S CLAIMS

The claim for compensation of certain employees recited in the attached summary marked "Exhibit A," having come on for hearing on the 16th day of December, 1947, before the Honorable Hubert F. Laugharn, evidence having been taken and the court being fully advised in the premises; and it appearing that the claims of the employees listed in the attached summary marked "Exhibit A" are entitled to a priority for wages due including show-up time for Wednesday, May 21, 1947, as specifically shown in said summary; and it further appearing that the claims for vacation wages earned are entitled to a priority for the period representing the three months preceding the filing of the petition in bankruptcy, the remaining wages that have accrued being allowed only as a general claim; and it further appearing that the union dues deducted by the bankrupt from the wages of the employees marked in "Exhibit A" should not

be allowed as a prior claim but only as a general claim. [22]

Now Therefore, It Is Ordered, as to each employee whose name is shown on "Exhibit A," attached hereto, that there be allowed as a prior claim as wages and compensation for each such employee the amount shown under the column on said "Exhibit A" entitled "Amt. Due Under Priority" totaling \$5,542.61; that there be allowed as a general claim on account of each such employee the amounts shown on said "Exhibit A" under the columns entitled "Unpaid Vacation" totaling \$2,880.58 and "Union Dues" totaling \$242.50.

It Is Further Ordered that the sums to be withheld and paid as Federal Old Age Benefits, Security and Unemployment Taxes and Withholding Taxes on account of each such employee's salary are set forth on "Exhibit A" under the columns entitled "Less FOAB-SURC" totaling \$128.30 and "W/Tax" totaling \$614.70; that such amounts be paid directly to the taxing authority involved in the order of priority as prescribed by the Bankruptcy Act (Sec. 104 Title 11, U.S.C.A.). And the trustee is directed to make disbursement in accordance herewith.

Dated: January 8, 1948.

/s/ HUBERT F. LAUGHARN,
Referee.

[Endorsed]: Filed Feb. 5, 1948 [23]

[Title of District Court and Cause.]

STIPULATION TO SUPPLEMENT RECORD

It Is Hereby Stipulated that the Record and Referee's Certificate on Review in connection with his Order of January 8, 1948 in the above entitled matter be, and the same hereby is, supplemented by inclusion in the record of the union contracts between the bankrupt above and the unions designated in the said contracts, which union contracts were in full force and effect during the period covered by the wage claims of the former employees of the above bankrupt. The aforesaid union contracts are attached herewith.

Dated: Jan. 28, 1948.

JAMES A. McLAUGHLIN and
FRANK C. WELLER,

Attorneys for Trustee,

By /s/ JAMES A. McLAUGHLIN.

Dated: Jan. 28, 1948.

PAULINE NIGHTINGALE and
EDWARD M. BELASCO,

Attorneys for Division of
Labor, etc.,

By /s/ EDWARD M. BELASCO.

It is so ordered Jan. 29/48.

/s/ HUBERT F. LAUGHARN,
Referee in Bankruptcy.

Certificate and Acknowledgement

This Is to Certify That I, M. M. Saxton, a stenographer in the Los Angeles Office of the Division of Labor Law Enforcement of the Department of Industrial Relations of the State of California, have prepared the attached copy of Agreement dated November 16, 1945 by and between C. A. Reed Furniture Company, its successors or assigns, party of the first part, and the Upholsterers' International Union of North America Local Union No. 15, Agent, and Wage Scale attached, from an executed copy of said Agreement and said Wage Scale; that I have accurately compared said copies attached with said executed copy of said Agreement and Wage Scale of which the attached are copies, and that the same are full, true and correct copies of said executed copies of said Agreement and Wage Scale.

In Witness Whereof, I have hereunto set my hand and have caused the Seal of the Department of Industrial Relations of the State of California to be affixed hereto this 28th day of January, 1948.

(Seal of Department of Industrial Relations, State of California.)

/s/ M. M. SAXTON.

State of California,
County of Los Angeles—ss.

On this 28th day of January, 1948, before me, Marguerite Reese, a Notary Public in and for said County and State, residing therein, duly commis-

sioned and sworn, personally appeared M. M. Saxton, known to me to be the person whose name is subscribed to the foregoing Certificate and acknowledged to me that he executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my Official Seal the day and year in this certificate first above written.

(Notarial Seal)

/s/ MARGUERITE REESE,
Notary Public in and for the County of Los Angeles,
State of California.

My Commission expires June 15, 1951. [25]

AGREEMENT

This Agreement, made this 16th day of November, 1945, by and between C. A. Reed Furniture Company, its successors or assigns, party of the first part and hereinafter referred to as the Employer, and the Upholsterers' International Union of North America, party of the second part, through its agent, Local Union No. 15 affiliated with the American Federation of Labor, and hereinafter referred to as the Union.

Witnesseth

The parties hereto agree to the following:

I.

The general purpose of this Agreement is to maintain harmony, cooperation, and understanding between the Employer and the Union; to provide efficient and economical operation of the Employer's plant; also for the protection of the plant and

property, and the rights and privileges of the Union Members.

II.

The Employer recognizes the Union as the sole and exclusive bargaining agency of all its production employees in the upholstery and allied departments, agrees to not bargain with its employees individually or collectively, to vary the terms of this Agreement. The Employer agrees to recognize the Shop Steward appointed by the Union as the Union's Representative in the Employer's factory. The Business Representative of the Union shall have free access to the Employer's factory by permission through the office of the Employer.

III.

The Employer agrees to employ only members in good standing in the Union, at all times, for all work covered by the jurisdiction of the Union, and that all employes, including apprentices, shall be hired from and through the office of the Union.

In the event the Union is unable to furnish sufficient help from its membership within forty-eight (48) hours after requested by the Employer, the Employer may hire from other sources, provided such persons hired obtain work permits from the Union before starting to work.

IV.

No member of the Union shall be discharged, or in any way discriminated [26] against for Union activity, or on account of any complaint or testimony given by him at any hearing, provided such

activity, complaint, or testimony is in accordance with the terms of this Agreement.

V.

All present employees, and all employees hired in the future that have worked one (1) month or more shall be considered as steady employees, unless otherwise mutually agreed to at the time of hiring.

All work shall be divided as nearly equally as possible among the steady employees regardless of seniority, in order to avoid discrimination.

Overtime work shall be divided as equally as possible and shall be paid at the rate of time and one-half.

VI.

If an employee fails to report for work for three consecutive days, the Union shall be notified by the Employer; the employee then failing to report for work within two days, shall be considered as having quit.

The Employer shall have the right to discharge any employee for drunkenness on the job, dishonesty, or failure to observe safety or sanitary rules, or house rules which have been mutually agreed upon by the Employer and the Union, and shall have been conspicuously posted.

Any employee reporting for work upon order of the Employer and not put to work for any reason except fire, accident, breakdown, or other unavoidable cause, shall receive four (4) hours pay for that day. Failure to notify an employee not to work shall be considered an order to report for work.

No member of the Union shall be required to work under any conditions which may be, or tend to be, unsafe, or injurious to health, morals, or reputation.

VII.

Vacation

The Employer's established personnel covered by this Agreement who have been in the employ of the Employer for one year, or more, and who have been in continuous good standing of the Union, shall receive a week's vacation with forty (40) hours' pay at the wage rate prevailing immediately prior to the vacation. Such vacation shall be taken at a time mutually agreeable to the [27] employee and the Employer. Employees with five years' service shall receive two weeks' vacation with pay.

VIII.

Any dispute between the parties hereto, or between the Employer and any Employee, shall be adjusted by direct negotiation between the Union and the Employer. Any such adjustments shall be retroactive as of the date the dispute took place.

Any situation not covered by this Agreement shall first be taken up with the Union before any action is taken by the Employer or any employee.

No employee shall be discharged, nor shall there be any cessation of work before the dispute has been taken up with representatives of the Union.

IX.

If the members who are subject to this Agreement are withdrawn upon the order of the Union's

International Officers or of a Central Organization with which they are affiliated, it shall not be considered a violation of the Agreement.

X.

The working day shall begin at 7:00 a.m. and shall end at 3:30 p.m. All work performed before starting time or after quitting time shall be considered as overtime. The work week shall consist of five days of eight hours each, Monday through Friday inclusive.

Work performed on Saturdays shall be paid at the rate of time and one-half. Sundays, or the following holidays: New Year's, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, or Christmas Day, double the regular rate shall be paid. There shall be no work on Labor Day, except to save life or property.

XI.

In case of inflation, war, or national emergency, the wage and hour clauses may be opened for discussion or revision upon giving 30 days' written notice. Consideration shall be given for merchandise contracts made before such inflation took place. [28]

Any steady employee, who enters into war service for the United States, shall not lose his standing or rights, and shall have the time spent by him in such war service added to his length of service for the Employer.

Any such employee who within sixty (60) days of his release or discharge from such war service, applies to the Employer, through the Union for rein-

statement, shall be reinstated to his former position in accordance with the seniority provisions of this contract, or, if physically incapable of performing the work of that position, shall be assigned to some then existing position whose work he is able to perform.

XII.

Copies of this Agreement shall be furnished by the Union, and shall be conspicuously posted in each department covered by this Agreement.

Wage Scale

This schedule of classified minimum hourly rates shall become part of the working agreement made and entered into between C. A. Reed Furniture Company of Los Angeles, California, and the Upholsterers' International Union of North America, Local Union No. 15, this 16th day of November, 1945. Workers now employed and receiving a higher rate than the minimum hourly rates listed herein shall not have their rates reduced during the life of this Agreement.

I.

In the event that an employee is performing work that cannot be properly classified under the classified minimum wage rates below, or that has been omitted from the list, and in the case of a new operation being created and not listed, it is understood and agreed that a rate to cover such work will be agreed upon by the Employer and the Union.

II.

If a second shift is required, they shall receive ten per cent (10) over the regular hourly day rate.

III.

Apprentices shall receive .80c per hour for the first three months of their apprenticeship and an increase of not less than 05c per hour each three months thereafter, until the journeyman rate for their respective classification is reached. [29]

Apprentices shall attend a school that has been approved by the Union, and in accordance with the Union's laws.

Not more than one apprentice shall be employed to each five journeymen. In all other respects this agreement applies to journeymen and apprentices alike.

Wage Scale

The following are minimum rates of pay.

Upholsterers	\$1.60	per hour
Cutters	\$1.60	“
Cushion Makers.....	\$1.60	“
Springers	\$1.50	“
Seamstresses	\$1.10	“
Outsiders	\$1.50	“
Floorboys	\$.80	“
Laborers	\$.80	“

It is understood and agreed that in the event an employee is working on piecework, that the average piecework earnings of said employee shall be the basis for computing overtime, day work, and vacation pay.

This agreement shall remain in full force and effect until September 1, 1946, and shall continue thereafter until either party wishes to change, amend, or terminate. Notice of desire to change, amend, or terminate, shall be given by either party sixty (60) days prior to September 1, of any year following; or the Agreement shall be considered renewed for another year, and so on annually.

In Witness Whereof, the parties hereto have hereunto set their hands and seals this 16th day of November, 1945.

UPHOLSTERERS' INTERNATIONAL UNION
OF N. A. LOCAL UNION No. 15, Agent,

By /s/ CHAS. L. YOST,

Business Representative.

C. A. REED FURNITURE
COMPANY,
Company.

By /s/ C. A. REED,
President.

By /s/ M. N. STEWART,
Vice-President. [30]

Certificate and Acknowledgment

This Is to Certify That I, Margaret Morris, a stenographer in the Los Angeles Office of the Division of Labor Law Enforcement of the Department of Industrial Relations of the State of California, have prepared the attached copy of Agreement dated September 25, 1946, by and between C. A. Reed Furniture Co. and Furniture

Workers Union, Local No. 3161, United Brotherhood of Carpenters and Joiners of America, A. F. of L., and Supplement thereto, from an executed copy of said Agreement and said Supplement; that I have accurately compared said copies attached with said executed copy of said Agreement and Supplement thereto of which the attached are copies, and that the same are full, true and correct copies of said executed copies of said Agreement and Supplement thereto.

In Witness Whereof, I have hereunto set my hand and have caused the Seal of the Department of Industrial Relations of the State of California to be affixed hereto this 28th day of January, 1948.

[Seal of Department of Industrial Relations,
State of California.]

/s/ MARGARET MORRIS.

State of California,
County of Los Angeles—ss.

On this 28th day of January, 1948, before me, Marguerite Reese, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Margaret Morris, known to me to be the person whose name is subscribed to the foregoing Certificate and acknowledged to me that she executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my Official Seal the day and year in this certificate first above written.

[Notarial Seal] MARGUERITE REESE,
Notary Public in and for the County of Los Angeles, State of California.

My Commission expires June 15, 1951. [31]

G-46

AGREEMENT

This Agreement, made and entered into this 25th day of Sept., 1946, by and between C. A. Reed Furniture Co., hereinafter called the "Company," and Furniture Workers Union, Local No. 3161, and the Los Angeles County District Council of Carpenters, United Brotherhood of Carpenters and Joiners of America, American Federation of Labor, hereinafter called the "Union":

Witnesseth:

Article I.

The general purpose of this agreement is to maintain harmony, cooperation and understanding between the Company and the Union, to provide efficient, economical operation of the Company's plant, also for the protection of the plant and property, and the rights and privileges of the Union members.

Article II.

The Company recognizes the Union as the sole and exclusive bargaining agency of all its produc-

tion and maintenance employees, exclusive of office workers, teamsters, and watchmen, and agrees to not bargain with its employees individually or collectively, to vary the terms of this agreement. The Company agrees to recognize the Shop Steward appointed by the Union as the Union's Representative in the Company's factory, said Shop Steward shall have been in the employ of the Company for a period of not less than one (1) year. The Business Representative of the Union shall have free access to the Company's factory, after contacting the authorized representative of the Company through the office.

Article III.

The Company agrees that all production and maintenance employees including working foremen shall at all times be members in good standing of the Union, and all such employees shall be employed through the office of the Union. If the Union is unable within forty-eight (48) hours to furnish [32] competent help, the employer may employ help from the open market, but such new help shall first obtain work permits from the office of the Union. Employees who are holders of work permits after passing a probationary period of fifteen (15) working days, and having proven satisfactory, must make application and join the Union within the next fifteen (15) working days, or be released from employment.

Article IV.

No member of the Union shall be discharged, or in any way discriminated against for Union activ-

ity, or on account of any complaint or testimony given by him at any hearing.

Article V.

(a) In reducing personnel because of lack of work, or other legitimate cause, the oldest man on the job shall be the last man laid off, providing he can qualify. In returning men to work, the last man laid off shall be the first man returned to the job. The seniority list shall be drawn up and kept by representatives of the Company and the Local Union, and shall at all times be open to all such representatives. The Company may at any time divide work as alternative to reducing the number of employees. All employees on the seniority list who are laid off shall be notified to return to work through the Local Union before new men are employed. The employer shall have the right to discharge any employee for insubordination, drunkenness, incompetency, dishonesty, or failure to perform work as required or to observe safety or sanitary rules or regulations and the employer's house rules, which must be conspicuously posted. The employer shall have the right to discharge any employee for any reasonable cause during the probationary period which is hereby set at fifteen (15) working days.

(b) Upon request of the Union or the Shop Committee, the Company agrees to show cause for discharge, of any employee of the established personnel, and if after a review of the case it is shown that such employee was discharged unjustly

or for Union activities, he shall be promptly reinstated. [33]

(c) If an employee fails to report for work for three (3) consecutive days, the Union shall be notified by the Employer; the employee then failing to report for work within two (2) days unless because of sickness or other legitimate cause shall be considered as having quit.

(d) Any employee reporting for work upon order of the Company and not put to work for any reason except fire, accident, breakdown, or other unavoidable cause, shall receive four (4) hours' pay for that day. Failure to notify an employee not to report for work shall be considered an order to report for work.

(e) No member of the Union shall be required to work under any conditions which may be, or tend to be, unsafe, or injurious to health, morals or reputation.

Article VI.

Any employee entering the United States Army, Navy, Marine Corps, or the National Guard shall be entitled to reinstatement to his former, or an equivalent, position without loss of seniority rating in accordance with Federal and State laws.

Article VII.

(a) Each employee shall receive one (1) weeks vacation after one (1) year of service with the Company and two (2) weeks vacation after three (3) years of service with the Company, except that this liberalized vacation benefit shall not apply to

those employees who have taken their 1946 vacations.

(b) Vacations shall be taken during July, August, or September and vacation pay shall be computed at any time it accrues during that period.

(c) Employees who are returned veterans and who worked for the Company prior to going into the Armed Forces shall be granted vacation credits for their time in the Armed Forces as follows:

(1) The time the employee was in the Armed Forces shall be added to the time the employee has worked for the Company only to determine whether the employee is entitled to one week or two weeks vacation for purposes of Article VII (a). [34]

(2) Any unused vacation credit for time accumulated when working for the Company prior to induction in the Armed Forces shall be added to vacation credits for time worked since returning to work for the Company when computing eligibility for vacations.

(3) Nothing in this article shall be construed to mean that an employee would be entitled to a vacation upon returning to work based upon the time spent in the Armed Forces.

(d) Week's vacation as used herein is understood to be 40 hours times the straight time hourly rate at the time vacation is due.

(e) In the event an employee has worked a full year for the Company and then terminates

his employment, he shall be entitled to receive his earned vacation pay. There shall be no pro-rata vacation.

Article VIII.

On and after July 1, 1946, the minimum wage paid by the Company to all production and maintenance employees shall be set forth in the wage scale which is attached hereto and made a part hereof, which is understood to set forth minimum rates of hourly pay. Wages shall be paid weekly.

Article IX.

There shall be elected by the employees of the Company who are members of the Union a committee to be known as the "Shop Committee." In order to be eligible to membership on such committee an employee must have been employed by the Company not less than six (6) months. The severance of the connection of any member of the committee as an employee of the Company shall automatically terminate his position on such committee.

The Business Representative of the Union is to be recognized as a member of the Shop Committee and may sit in at any and all meetings.

The Company shall have a committee of its own choosing made up from its officers, superintendents, office executives or foremen, to confer and negotiate with the Shop Committee.

The purpose of the two Committees herein mentioned shall be to consider and, if possible, adjust all grievances which may arise between the [35]

parties of this agreement, but said Committees shall not have the power to negotiate changes in this agreement or give notice of extension or termination of this agreement.

If the Committees are not able, within a period of five (5) days after the grievance has been presented to the Company, or such other period as the parties may agree upon, to settle the grievance satisfactorily, either party may request arbitration. In the event arbitration is requested, each party shall, within three (3) days of such request, submit a name of an arbitrator, and the two arbitrators so selected shall choose a third. In the event that the two arbitrators cannot agree upon a third arbitrator within three (3) working days, the third arbitrator shall be appointed by the American Arbitration Association. The matter shall be heard by such Board of three arbitrators and the decision of the Board shall be final and binding upon both of the parties. Any costs of the arbitration shall be borne equally.

There shall be no cessation of work declared by either party during this process of arbitration, and a decision shall be rendered within ten days by the Board of Arbitration.

Article X.

Pay for holidays shall be as follows:

- (a) Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, and New Year's Day, if worked, shall be paid at double the straight time rate of pay.

- (b) No work shall be performed on Labor Day except to protect life or property.
- (c) It is agreed that if any of the above-named holidays fall upon a Sunday, they shall be observed the following Monday.
- (d) Employees shall receive pay for the above-mentioned holidays at the straight time rate if not worked and these holidays shall be counted as days worked for the purpose of computing overtime.
- (e) As a consideration for granting the above-mentioned six (6) holidays with pay when not worked, the Company reserves the right to grant only such rest periods as are required by the State Division of Industrial Welfare. [36]

Article XI.

This agreement shall remain in full force and effect until July 1, 1947, and shall continue thereafter until either party wishes to change, amend or terminate. Notice of desire to change, amend or terminate shall be given by either party thirty (30) days prior to July 1, 1947, or of any year following, or the Agreement shall be considered renewed for another year, and so on annually. Due to unsettled economic conditions prevailing at the time of the execution of this Agreement, it is hereby agreed that either party may, on Thirty (30) days' notice reopen this Agreement for renegotiation of wage rates only, and that there shall be no more than one (1) such reopening for wage rate nego-

tiations prior to July 1, 1947, or during any contract year thereafter during the life of this Agreement.

In Witness Whereof, the parties hereto have hereunto set their hands and seals the day and year first hereinabove written.

C. A. REED FURNITURE CO.,
By C. A. REED,
Pres., "Company."

FURNITURE WORKERS UNION, LOCAL No.
3161, UNITED BROTHERHOOD OF CAR-
PENTERS AND JOINERS OF AMERICA,
A. F. OF L.

By ROY TAYLOR,
Business Representative. [37]

Supplement to Agreement dated, 1946, by and between the C. A. Reed Furniture Company, hereinafter called the "Company," and Furniture Workers Union, Local No. 3161, and the Los Angeles County District Council of Carpenters, United Brotherhood of Carpenters and Joiners of America, A.F.L., hereinafter called the "Union."

Wage Scale

This schedule of classified minimum hourly rates shall become part of the existing working agreement made and entered into between the Company and the Union on this date. Workers now employed and receiving a higher rate than the minimum hourly rates listed herein shall not have their rates reduced during the life of this Agreement.

- (b) No work shall be performed on Labor Day except to protect life or property.
- (c) It is agreed that if any of the above-named holidays fall upon a Sunday, they shall be observed the following Monday.
- (d) Employees shall receive pay for the above-mentioned holidays at the straight time rate if not worked and these holidays shall be counted as days worked for the purpose of computing overtime.
- (e) As a consideration for granting the above-mentioned six (6) holidays with pay when not worked, the Company reserves the right to grant only such rest periods as are required by the State Division of Industrial Welfare. [36]

Article XI.

This agreement shall remain in full force and effect until July 1, 1947, and shall continue thereafter until either party wishes to change, amend or terminate. Notice of desire to change, amend or terminate shall be given by either party thirty (30) days prior to July 1, 1947, or of any year following, or the Agreement shall be considered renewed for another year, and so on annually. Due to unsettled economic conditions prevailing at the time of the execution of this Agreement, it is hereby agreed that either party may, on Thirty (30) days' notice reopen this Agreement for renegotiation of wage rates only, and that there shall be no more than one (1) such reopening for wage rate nego-

tiations prior to July 1, 1947, or during any contract year thereafter during the life of this Agreement.

In Witness Whereof, the parties hereto have hereunto set their hands and seals the day and year first hereinabove written.

C. A. REED FURNITURE CO.,
By C. A. REED,
Pres., "Company."

FURNITURE WORKERS UNION, LOCAL No.
3161, UNITED BROTHERHOOD OF CAR-
PENTERS AND JOINERS OF AMERICA,
A. F. OF L.

By ROY TAYLOR,
Business Representative. [37]

Supplement to Agreement dated, 1946, by and between the C. A. Reed Furniture Company, hereinafter called the "Company," and Furniture Workers Union, Local No. 3161, and the Los Angeles County District Council of Carpenters, United Brotherhood of Carpenters and Joiners of America, A.F.L., hereinafter called the "Union."

Wage Scale

This schedule of classified minimum hourly rates shall become part of the existing working agreement made and entered into between the Company and the Union on this date. Workers now employed and receiving a higher rate than the minimum hourly rates listed herein shall not have their rates reduced during the life of this Agreement.

Article I.

Overtime rates of time and one-half shall be paid for more than eight (8) hours in any one day, and on Saturdays, and for work exceeding forty (40) hours in any calendar week. The regular work week shall be Monday to Friday, inclusive. Overtime rates of double time shall be paid for more than ten (10) hours' work in any one day.

Article II.

In the event that no employee is performing work that cannot be properly classified under the classified minimum wage rates below, or that has been omitted from the list, and in the case of a new operation being created and not listed, it is understood and agreed that a rate to cover such work will be agreed upon by the Company and the Union.

Article III.

Helpers in all departments of the Company's factory shall receive not less than the minimum hourly wage as set forth in the following classified rates.

A helper shall be defined as a person directly helping someone, such as, offbearer, assisting spray man, dolly boys, etc. No helper shall be permitted to perform any operation involved in actual production or where they are responsible for any act of actual production work. [38]

Article IV.

Employees working on a night shift shall receive ten per cent (10%) over the regular hourly day rate.

Article V.

The following amendments from previous contract are incorporated herein and made a part of this Agreement:

- (1) Men moving to a higher paid job in the same factory are to be raised five (5) cents when changed, and every thirty (30) days until the higher rate is reached.
- (2) Union to recognize and agree to any combined rates established by mutual agreement after the effective date of this contract.

Article VI.

MILL ROOM

Bracket #1

Spindle Carver	\$1.65½
Automatic Lathe Set Up	1.43½
Double End Tenoner	1.43½
Hand Turner	1.43½
Sticker Men	1.43½
Band Sawyer	1.43½
Millwright	1.43½
Detail Trim Sawyer	1.43½
Sample Maker	1.43½
Shaperman	1.43½
Pattern Maker	1.43½
Onsrud Waterfall Router	1.43½
Maintenance Men(Millwright, Electrician, etc.)	1.43½
Saw Filer	1.43½
Knife Grinder	1.43½
Multiple Carver	1.43½

Bracket #2

Trim Sawyer	1.31½
Mould Sanders	1.31½
Stock Cutters	1.31½
Veneer Clipper	1.31½

A minimum rate of one dollar and twenty-one and one-half (\$1.21½) shall be maintained in the mill and veneer departments for all others who operate, feed, or set up machines, including glue man and millwright helpers.

CABINET DEPARTMENT

Bracket #1

First Class Cabinet Makers	1.43½
Sample Makers	1.43½
Repair Man (1st Class)	1.43½

Bracket #2

Drawer Fitters	1.21½
Inspectors	1.21½
Door Hangers	1.21½
Case Clamp	1.21½
Assemblers—Major	1.21½
Clamp Men	1.19½
Frame Makers	1.21½
Repair Man (2nd Class)	1.21½

Bracket #3

Putty Men	1.00½
Bed Rail Men	1.00½
Hand Sanders	1.05½
Assemblers—Minor	1.05½
Slip Seat Makers	1.10½

FINISHING DEPARTMENT

Bracket #1

Spray Men	1.43½
Burn-In Men	1.43½
Touch-Up Men	1.43½

Bracket #2

Spray Men (Stain)	1.25½
Spray Men (Under Coat)	1.25½

Bracket #3

Decorators	1.21½
Polishers	1.21½
Rubbers	1.21½
Spray Men (Filler)	1.21½

Bracket #4

Stripers	1.06½
Toners	1.06½
Over-Glaziers	1.06½
Blenders	1.06½
Highlighters	1.06½
Antiquers	1.06½
Hand Sanders	1.05½
Filler Wipers	1.05½

SHIPPING DEPARTMENT

Bracket #1

Checkers	1.19½
Glass Assemblers	1.19½
Receiving Stock Clerk	1.19½
Load Assemblers	1.17½
Craters and Packers	1.17½
Helpers in all Departments	1.00

GLASS DEPARTMENT

Glass Men—Journeymen	1.43½
Glass Men	1.31½
Glass Helpers	1.00

Lead Men and Pivot Men shall receive a minimum of five (5c) cents per hour more than the highest paid men working under them.

Employees receiving premium rates shall receive an increase of ten cents (10c) on their premium rates in lieu of the rates set forth above, but in no event less than these rates.

Article VII.

This wage scale shall become effective July 1, 1946, and shall remain in full force and effect until July 1, 1947, and thereafter, unless modified as provided for by Article XI of the Agreement between the parties.

In Witness Whereof the parties hereto have set their hands and seals this day of, 1946.

C. A. REED FURNITURE CO.,
By /s/ C. A. REED,
Pres., Company.

FURNITURE WORKERS UNION, LOCAL No.
3161, UNITED BROTHERHOOD OF CAR-
PENTERS AND JOINERS OF AMERICA,
A. F. OF L.

By /s/ ROY TAYLOR,
Business Representative.

LOS ANGELES COUNTY DISTRICT COUNCIL
OF CARPENTERS, UNITED BROTHER-
HOOD OF CARPENTERS AND JOINERS
OF AMERICA, A. F. OF L.

By,
"Union."

[Endorsed]: Filed Feb. 5, 1948. [41]

[Title of District Court and Cause.]

AMENDMENT TO ORDER OF JANUARY 8,
1948 (ALLOWING AS PORTION OF THE
PRIOR LABOR CLAIMS THE DEDUC-
TIONS MADE BY THE EMPLOYER FOR
UNION DUES WHICH WERE NOT FOR-
WARDED TO THE UNION)

An order was made herein on January 8, 1948,
allowing as general claims to the various employees
of the above bankrupt the funds deducted from
the employees' pay as union dues but which amounts

were not forwarded to the union. The said employees had contended here that the said amounts should be allowed to them as prior claims.

Subsequent to making the order it appears that the Trustee took over more funds in cash assets than the amount of the said deductions and that the same in fact can be followed into the said funds, and the Referee being fully advised in the premises therefor makes the following order:

It Is Ordered that the portion of the order heretofore made by the Referee herein on January 8, 1948, allowing as general claims the union dues deducted from the employees' pay checks and not paid by the bankrupt to the union, be, and the same hereby is, amended, and it is ordered that the said dues so deducted and held by the bankrupt are allowed to the said employees as prior [42] claims. The said union dues so deducted are in accordance with the schedule attached to the said order of January 8, 1948.

Dated: February 4, 1948.

/s/ HUBERT F. LAUGHARN,
Referee in Bankruptcy.

[Endorsed]: Filed Feb. 5, 1948. [43]

[Title of District Court and Cause.]

PETITION FOR REVIEW OF REFEREE'S
ORDER DETERMINING EXTENT OF
PRIORITY OF EMPLOYEES' CLAIMS

Comes now the Division of Labor Law Enforcement, State of California, by and through its attorneys, Pauline Nightingale and Edward M. Belasco, and files this, its Petition For Review of that certain Order made by Referee in Bankruptcy, Hubert F. Laugharn, Esquire, and entered into the above-entitled proceeding on January 8, 1948, sustaining the objections of Paul W. Sampsell, Trustee in Bankruptcy, herein, to the allowance of priority status to certain portions of your Petitioner's claim in bankruptcy as statutory assignee of designated wage claimants, the former employees of the bankrupt above, said claim being entitled Proof of Unsecured Debt in Bankruptcy (Priority); that the said Order eliminates from priority status under Section 64(a) of the Bankruptcy Act, as amended, all the vacation wages earned by such wage claimants and union dues deducted within three months prior to the filing of the petition in bankruptcy from the wages of said wage claimants under union checkoff systems, but not paid to the respective unions by the bankrupt above; that said vacation wages, other than one-fourth ($\frac{1}{4}$) thereof, and said union dues were allowed only as general unsecured claims. [44]

Said Order reads as follows, to wit:

“The claim for compensation of certain employees recited in the attached summary

marked 'Exhibit A,' having come on for hearing on the 16th day of December, 1947, before the Honorable Hubert F. Laugharn, evidence having been taken and the court being fully advised in the premises; and it appearing that the claims of the employees listed in the attached summary marked 'Exhibit A' are entitled to a priority for wages due including show-up time for Wednesday, May 21, 1947, as specifically shown in said summary; and it further appearing that the claims for vacation wages earned are entitled to a priority for the period representing the three months preceding the filing of the petition in bankruptcy, the remaining wages that have accrued being allowed only as a general claim; and it further appearing that the union dues deducted by the bankrupt from the wages of the employees marked in 'Exhibit A' should not be allowed as a prior claim but only as a general claim.

"Now, Therefore, It Is Ordered, as to each employee whose name is shown on 'Exhibit A,' attached hereto, that there be allowed as a prior claim as wages and compensation for each such employee the amount shown under the column on said 'Exhibit A' entitled 'Amt. Due Under Priority' totaling \$5,542.61; that there be allowed as a general claim on account of each such employee the amounts shown on said 'Exhibit A' under the columns entitled 'Unpaid Vacation' totaling \$2,880.58 and 'Union Dues' totaling \$242.50.

“It Is Further Ordered that the sums to be withheld and paid as Federal Old Age Benefits, Security and Unemployment Taxes and Withholding Taxes on account of each such employee’s salary are set forth on ‘Exhibit A’ under the columns entitled [45] ‘Less FOAB-SURC’ totaling \$128.30 and ‘W/Tax’ totaling \$614.70; that such amounts be paid directly to the taxing authority involved in the order of priority as prescribed by the Bankruptcy Act (Sec. 104, Title 11, U.S.C.A.), and the trustee is directed to make disbursement in accordance herewith.

“Dated: January 8, 1948.

/s/ HUBERT F. LAUGHARN,
Referee.”

The “Exhibit A” is attached below, and it is acknowledged by your Petitioner as a correct monetary breakdown of the wages involved herein.

I.

The Referee in Bankruptcy erred in ordering that the objections of the Trustee to the claim of the Division of Labor Law Enforcement, State of California, be sustained and that all of the vacation wages earned and the union dues collected under the checkoff system be disallowed as a priority claim.

II.

The Referee in Bankruptcy erred in basing his Order on the assumption that claims for vacation wages earned are entitled to priority only for that

portion represented by the period worked within three months prior to the date of the filing of the Petition in Bankruptcy.

III.

The Referee in Bankruptcy erred in making his Order in that he did not conclude as a matter of law that under the terms of the union contracts involved herein, copies of said contracts being made a part of the record of this proceeding by virtue of the Stipulation to Supplement Record, the vacation wages earned by the wage claimants were not severable, and all of the said vacation wages were earned and became due within three months prior to the date of the filing of the Petition in Bankruptcy herein.

IV.

The Referee in Bankruptcy erred in making his Order in that he did not [46] conclude as a matter of law that the bankrupt herein, when it deducted from the wages of its employees certain sums as union dues under the existing checkoff systems and retained said sums, failing to pay them to the respective unions, the bankrupt became trustee of the money collected on behalf of and for the benefit of its employees; that since the said sums deducted came from wages earned by the wage claimants within three months prior to the date of the filing of the Petition in Bankruptcy, the said wages deducted had priority status under the provisions of Section 64(a) of the Bankruptcy Act, as amended.

V.

The Referee in Bankruptcy erred in failing to order that all the vacation wages earned by the wage claimants herein were entitled to priority status under Section 64(a) of the Bankruptcy Act, as amended, in that they were earned and became due within three months prior to the date of the filing of the Petition in Bankruptcy herein; and the Referee in Bankruptcy further erred in failing to order that the union dues deducted from the wages of the wage claimants earned within three months prior to the date of the filing of the Petition in Bankruptcy herein, and retained by the bankrupt herein and not turned over to the respective unions under the checkoff systems then in effect, were entitled to priority status under the provisions of Section 64(a) of the Bankruptcy Act, as amended.

Wherefore, your Petitioner prays that the said Order be reviewed and reversed, and a proper Order made giving the full vacation claims and the union dues claims priority status, and for such other and further relief, decrees and orders as shall be meet in the premises.

Dated: January 29, 1948.

Respectfully Submitted,

PAULINE NIGHTINGALE and
EDWARD M. BELASCO,

Attorneys for Petitioner,

By /s/ EDWARD M. BELASCO.

[Endorsed]: Filed Jan. 29, 1948. [47]

[Title of District Court and Cause.]

REFEREE'S CERTIFICATE ON REVIEW

To the Honorable Peirson M. Hall, Judge of the
District Court of the United States, Southern
District of California, Central Division:

I, Hubert F. Laugharn, Referee in Bankruptcy
to whom the above-entitled matter has been re-
ferred, do hereby certify as follows:

I made an order on January 8, 1948, allowing a
large number of labor claims, most of which were
by members of a labor union which had a written
contract with the bankrupt. The said order of
allowance determined that the unpaid vacation pay
should be allowed as prior for that portion of the
year covering the three months' period prior to the
bankruptcy proceeding and that the balance of the
said vacation pay earned throughout the rest of
the year beyond the three months' period was enti-
tled to allowance only as a general claim. The said
order likewise provided that certain funds deducted
from the employees' pay checks for their union
dues and not remitted to the union by the bankrupt
would be allowed only as a general claim. [50]

Thereafter there was duly filed a Petition for
Review by the Division of Labor Law Enforcement
of the State of California.

Subsequent to the making of the said order of
January 8, 1948, a further and amended order was
made allowing to the said labor claimants the said
union dues, so deducted from their pay, as a prior
claim instead of a general claim. This accordingly
disposes of the said point on the review herein.

The question therefore presented is: "What Portion of the Unpaid Vacation Pay at the Date of Bankruptcy Should Be Allowed as Prior?"

The Trustee contended that the same should be pro-rated and that portion accruing or earned for the three months of the year immediately prior to bankruptcy would be "earned wages" within the priority period, and accordingly, would be entitled to priority, whereas the remaining portion would be general. The petitioner for review, representing the labor claimants, contends all of the vacation pay should be allowed as prior.

I determined the matter in accordance with the contention of the Trustee and followed the principles established in the case of *Public Ledger*, 161 Fed. 2d 762, 5th Circuit. The decision in this case was written by Judge Albert Lee Stephens of the 9th Circuit, who at the time was sitting with the 5th Circuit.

Section 64a(2) gives a priority for wages "which have been earned within three months." The earning of the vacation is distributed over the twelve months and in arriving at the "prior" portion of the vacation pay, the same may be pro-rated and that portion thereof as the three months represents is, in effect, earned within the said three months. The balance accordingly is allowed as a general claim. I followed the same principle in the case entitled *In the Matter of Sierra Rubber Company, Bankrupt*, [51] No. 44,733-W of this Court.

In compliance with the provisions of Section 39a (8), I attach to this Certificate the following:

- (1) Trustee's Objections to Priority and to Amount.
- (2) Order Determining Extent of Priority of Employees Claims.
- (3) Petition for Review of Referee's Order Determining Extent of Priority of Employees' Claims.
- (4) Amendment to Order of January 8, 1948.
- (5) Proof of Unsecured Debt in Bankruptcy.
- (6) Stipulation to Supplement Record.

Dated: February 5, 1948.

Respectfully submitted,
/s/ HUBERT F. LAUGHARN,
Referee in Bankruptcy.

[Endorsed]: Filed Feb. 5, 1948. [52]

[Title of District Court and Cause.]

ORDER AFFIRMING ORDER OF REFEREE

This matter came on to be heard on the petition of the Division of Labor Law Enforcement, State of California, claimant and statutory assignee of wage claimants who were former employees of the above-named bankrupt, for review of the Referee's order made on January 8, 1948, which said order was amended on February 4, 1948, by the said Referee, and the question presented by said Petition for Review being whether such employees of the bankrupt were entitled to assert priority under the provisions of Section 64a (2) of the Bankruptcy

Act (Title 11, U.S.C.A., Section 104) in their entirety as to their claims for compensation for vacations earned but not taken prior to the filing of the bankruptcy petition herein, or whether such claims for compensation were only entitled to priority as to the portion of such vacations earned within the three-month period preceding the filing of such bankruptcy petition, and the Referee having determined and ordered that such employees [55] were only entitled to assert priority as to the portion of such vacation compensation earned within the three months preceding the filing of the bankruptcy petition, and having determined and ordered that the balance of each of such claims for unpaid vacation compensation should be allowed as a general claim, but not as a prior claim, and the above-entitled court having duly considered the Petition for Review, the Referee's certificate on review, the stipulations of counsel on file, and the briefs on file, and the matter having been orally argued by counsel for the petitioner, and the court being fully advised in the premises and having determined that the order of the Referee is correct and that there is no basis for allowing priority to any of the said claims for vacation compensation earned prior to the three-month period preceding the filing of the bankruptcy petition, and having determined that the Referee allowed as prior claims all of the portions of the unpaid vacation compensation which were earned within the period of three months preceding the filing of said bankruptcy petition;

Now, Therefore, It Is Ordered, Adjudged and Decreed that the Referee's said order be and it is hereby affirmed.

Dated: April 12, 1948.

/s/ PEIRSON M. HALL,
Judge.

Approved as to Form:

PAULINE NIGHTINGALE and
EDWARD M. BELASCO,
By /s/ EDWARD M. BELASCO,
Attorneys for Petitioner.

[Endorsed]: Filed and Docketed Apr. 12, 1948.

[Title of District Court and Cause.]

NOTICE OF APPEAL

To: The Honorable Peirson M. Hall, Judge of the Above-Entitled Court; to the Honorable Hubert F. Laugharn, Referee in Bankruptcy of the Above-Entitled Court; to Edmund L. Smith, Clerk of said Court:

You and each of you will please take Notice, and Notice is hereby given, that the Division of Labor Law Enforcement, State of California, statutory assignee of certain prior wage claimants in the above-entitled bankruptcy proceeding, does hereby appeal to the United States Circuit Court of Ap-

peals for the Ninth Circuit from the Order Affirming Order of Referee, dated April 12, 1948, and entered in Civil Order Book 50, at Page 430, affirming in all respects the Order of the Referee in Bankruptcy, of January 8, 1948, as amended February 4, 1948.

Dated: May 3, 1948.

PAULINE NIGHTINGALE and
EDWARD M. BELASCO,

Attorneys for Division of Labor Law Enforcement,
State of California,

By /s/ EDWARD M. BELASCO.

[Affidavit of service by mail attached.]

[Endorsed]: Filed and Mailed Copy to James A. McLaughlin, et al., Attorneys for Trustee, May 3, 1948. [57]

[Title of District Court and Cause.]

NOTICE OF HEARING ON OBJECTIONS TO
CLAIM OF G. O. THRAILKILL

To G. O. Thrailkill, and to your Attorneys Edward M. Belasco and Pauline Nightingale:

You and each of you will please take notice that the Trustee in Bankruptcy herein has objected to the allowance of your claim both as to amount and priority, all as is more particularly set forth in the copy of such objection attached hereto and herewith served upon you.

You are further notified that a hearing on such objection will be had in the Courtroom of the Hon-

orable Hubert F. Laugharn, Referee in Bankruptcy in the Federal Building, 312 North Spring Street, Los Angeles, California, on the 16th day of December, 1947, at the hour of 2:00 o'clock p.m., or as soon thereafter as counsel can be heard.

Dated: December 5, 1947.

JAMES A. McLAUGHLIN and
FRANK C. WELLER

By JAMES A. McLAUGHLIN,
Attorneys for Trustee.

CERTIFICATE OF CLERK

I, Edmund L. Smith, Clerk of the District Court of the United States for the Southern District of California, do hereby certify that the foregoing pages numbered from 1 to 66, inclusive, contain full, true and correct copies of Debtor's Petition in Bankruptcy; Orders of Adjudication and of General Reference; Proof of Unsecured Debt in Bankruptcy (Priority); Trustee's Objections to Priority and to Amount; Claims of Employees Entitled to Priority, and the Amounts Thereof; Order Determining Extent of Priority of Employees' Claims; Stipulation to Supplement Record; Amendment to Order of January 8, 1948 (Allowing as Portion of the Prior Labor Claims the Deductions Made by the Employer for Union Dues Which Were Not Forwarded to the Union); Petition for Review of Referee's Order Determining Extent of Priority of Employees' Claims; Referee's Certificate on Review; Notice of Hearing on Petition for Review;

Order Affirming Order of Referee; Notice of Appeal; Appellants' Statement of Points; Appellants' Designation of the Record on Appeal and Appellee's Designation of Additional Portions of Record on Appeal which constitute the record on appeal to the United States Circuit Court of Appeals for the Ninth Circuit.

I further certify that my fees for preparing, comparing, correcting and certifying the foregoing record amount to \$17.05 which sum has been paid to me by appellant.

Witness my hand and the seal of said District Court this 24th day of May, A.D. 1948.

[Seal] EDMUND L. SMITH,
Clerk.

By /s/ THEODORE HOCKE,
Chief Deputy.

[Endorsed]: No. 11939. United States Circuit Court of Appeals for the Ninth Circuit. Division of Labor Law Enforcement, State of California, Appellant, vs. Paul W. Sampsell, Trustee in Bankruptcy of the Estate of C. A. Reed Furniture Company, Bankrupt, Appellee. Transcript of Record. Upon Appeal from the District Court of the United States for the Southern District of California, Central Division.

Filed May 25, 1948.

/s/ PAUL P. O'BRIEN,
Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

In the United States Circuit Court of Appeals
for the Ninth Circuit

No. 11939

DIVISION OF LABOR LAW ENFORCEMENT,
Department of Industrial Relations, State of
California,

Appellant,

vs.

PAUL W. SAMPSELL, Trustee in Bankruptcy,
Etc.,

Appellee.

In the Matter of
C. A. REED FURNITURE COMPANY, a Corpo-
ration,

Bankrupt.

APPELLANT'S STATEMENT OF POINTS
RULE 19(6)

Comes now the Appellant, Division of Labor Law Enforcement, appearing on behalf of all prior wage claimants, and states that the Points upon which it intends to rely in the Appeal in this proceeding are as follows:

1. The Court erred in rendering its Order entered April 12, 1948, in which the Order of the Referee in Bankruptcy herein of January 8, 1948, as amended on February 4, 1948, was confirmed.

2. The Court erred in ruling as a matter of law that Appellant's assignors' vacation wages were

not entitled to full priority status as wages under Section 64a(2) of the Bankruptcy Act.

3. The Court erred in ruling as a matter of law that only one-fourth of the vacation wages of Appellant's assignors was entitled to priority status as wages under Section 64a(2) of the Bankruptcy Act.

4. The Court erred in not ruling as a matter of law that vacation wages under the provisions of the two union agreements herein were earned only after all conditions precedent required in the said union agreements were fully complied with by Appellant's assignors.

5. The Court erred in not ruling as a matter of law that the vacation wages claimed by Appellant's assignors were fully earned during the three months' period prior to the commencement of the bankruptcy proceeding.

6. The Court erred in failing to rule as a matter of law that the provisions for vacations with pay contained in the union agreements herein did not provide for pro rata earning of said vacations with pay, and that the Referee in Bankruptcy erred in pro rating the vacation wages on a one-fourth-three-fourths basis.

7. The Court erred in affirming the Referee's Order wherein it was held that three-fourths of the vacation wages earned by Appellant's assignors were only entitled to status as general claims.

The Appellant designates the following portions of the record, as certified by the District Court, as necessary to consider the Points above:

1. Proof of Unsecured Debt in Bankruptcy (Priority). (Exhibit "A" need not be part of the record, as Order Determining Extent of Priority of Employee's Claims, Dated January 8, 1948, contains an exhibit "A" which is a correct breakdown of the wage claims of Appellant's assignors.)

2. Notice of Hearing on Objections to Claim of G. O. Thrailkill.

3. Order Determining Extent of Priority of Employee's Claims, Dated January 8, 1948.

4. Stipulation to Supplement Record, including attached union contracts.

5. Petition for Review of Referee's Order Determining Extent of Priority of Employees' Claims. (Exhibit "A" need not be part of the record, as it is contained in the Order of January 8, 1948, listed above as number 3.

6. Amendment to Order of January 8, 1948 (Allowing as Portion of the Prior Labor Claims the Deductions Made by the Employer for Union Dues Which Were Not Forwarded to the Union.)

7. Referee's Certificate on Review.

8. Order Affirming Order of Referee.

9. Notice of Appeal, dated May 3, 1948.

Dated: June 4, 1948.

Respectfully submitted,

PAULINE NIGHTINGALE and

EDWARD M. BELASCO,

By /s/ EDWARD M. BELASCO,

Attorneys for Appellant.

[Affidavit of service by mail attached.]

[Endorsed]: Filed June 7, 1948.

